DECLASSIFIED AND RELEASED BY ITRAL INTELLIGENCE AGENCY CESMETHODSEXEMPTION 3828 NAZIWAR CRIMES DISCLOSURE ACT

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ii. First Contact with the Americans.

At the end of July SZALANCZY met an American Major in Salzburg. This major is a Hungarian, and his name is now VADNAY, though SZALANCZY thinks that he used to have a German name. The major always wore civilian clothes, is about 40 years old and about 175 cmt tall. He met SZALANCZY always in a cafe, the name of which SZALANCZY does not know; it is somewhere on the river band. The major frequents this cafe a good deal. VADNAY told SZALANCZY that he knew his history, and was empowered by the American CIC to offer him a job. Later, when SZALANCZY had said that he would like to speak to another officer to make certain that the offer was genuine, a Lt. in the American Army interviewed him, and took down his life history. SZALANCZY heard from a friend that the Lt. was a Hungarian who had been an American citizen for thirty years. SZALANCZY told this man that he would prefer to have only one contact in the CIC if he worked for them, to lessen the chances of the news reaching Hungary with possible unpleasent consequences for his family. So a Lt. KOLLENYI was sent to him in Salzburg, and told him that in the

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future he would get all his instructions from him. KOLLENYI is a youngish looking man of about 40 of middle height, cleanshaven, with black hair. SZALANCZY knew him well, 45 KOLLENYI used to be his chief in the Hungarian 2 Army Corps. He met SZALANCZY in a gesthane in Salezburg and gave him the following instructions.

- a) His work was to be intelligence work of the defensive type. He was to live in the British Zone and keep an eye on all suspicious people who came across the frontier and also those Hungarian nationals who were already living in Austria.
- b)He should spend a good deal of his time in the area facing the Hungarian frontier, and should make sure that all refugees who seem suspicious should be watched. For this he was to set up his own organisation; there was no American agent already in the area with whom he could get in touch, and he could himself employ a reasonable number of contacts who would be paid by the Americans through him.
- c) He should talk as much as possible to the refugees who come across and make a monthly report in which he should summarise what he had learnt from them, with particular reference to Russian troop movements.
- d) If he heard of important troop movements he could send over the frontier at his own discretion reliable Hungarians whom he might meet; these men would also receive pay from the Americans.
- e)On the financial side he should send an account of all his expenses, including the pay for his agents to KOLLENYI, and the money would be sent to him.

 (This det found amongst SZALANCZY's papers a slip of paper, the counterfoil for a money order for 3160 ANS sent from Salzburg I, number 993, sent on the 19 Aug 48, senders name KOLLENYI). This paper is attached to this report as Appendix A.
- f)He should send his reports through the normal Austrian post to KOLLENYI.

 JHIS IS ALL THE INFORMATION PERTINENT
 TO THE SUBJECT IN THIS DOCUMENT.